

# CITY OF NEWPORT BEACH

## CITY COUNCIL STAFF REPORT

Agenda Item No. 26  
November 24, 2009

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** City Manager's Office  
Dave Kiff, City Manager  
949/644-3000 or dkiff@newportbeachca.gov

**SUBJECT: Council Review of Staff Status Report on Six of the City Council's 2009 Priorities**

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### **ISSUE:**

How is the City staff doing in terms of implementing the City Council's thirteen 2009 priorities?

### **RECOMMENDATION:**

Review and comment, as desired.

### **DISCUSSION:**

#### **Background:**

The City Council held a Special City Council meeting on Saturday, January 10, 2009, to discuss and establish its priorities for 2009. This was the third consecutive year the City Council has met early in the calendar year to set its priorities. A total of thirteen (13) priorities were settled on, but in no particular order. As in the past, the City Manager was asked to provide draft priority statements, action steps and schedules for the City Council to review, make revisions to and finalize.

The status of priority implementation is reviewed each month. Status reports on seven priorities began in March and are provided during alternating months. This status report provides current information on the remaining six priorities. This is the sixth status report of the year. The six priorities being reported on in no particular order are as follows:

- Continue to implement an effective traffic management plan by a variety of projects which improve traffic flows throughout the City.

- Complete the Schematic Design Phase and the EIR for the new city hall and park site.
- Provide more public parks and recreation facilities, with emphasis on active facilities where appropriate. Construct a new OASIS facility for our seniors.
- Continue with the process to determine the eventual land use for the Banning Ranch property, pursuing both open space and development options outlined in the General Plan.
- Continue to implement water quality improvement projects, while at the same time, assessing the need to adopt a tiered water rate structure to assist in water conservation efforts.
- Develop and implement a strategy, including a funding component, for the dredging of the Lower Bay

Additional status reports will be provided at the second City Council meeting of each month for the remainder of the calendar year.

Environmental Review: The City Council's approval of this Agenda Item does not require environmental review.

Public Notice: This agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the Council considers the item).

Submitted by:

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DAVE KIFF  
City Manager

Attachments: 2009 Council Priorities Indicator Tracker

# City of Newport Beach



## 2009 Council Priorities Indicator Tracker

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## Status Report

**Date published: November 24, 2009**  
**Presented by: Dave Kiff**

**CONTINUE TO IMPLEMENT AN EFFECTIVE TRAFFIC MANAGEMENT PLAN BY A VARIETY OF PROJECTS WHICH IMPROVE TRAFFIC FLOWS THROUGHOUT THE CITY**

<b>Objective</b>	<b>Target</b>	<b>Action</b>
Phase 1 signal project completed and operational	March 15, 2009	Project was completed and operational on March 15, 2009
Phases 2 and 3 signal project designs completed, work begins	March 30, 2009	Design Complete. Construction contract awarded April 14, 2009
Phases 2 and 3 – Completed and operational	December 31, 2009	On target
Council discussion on Phases 4-8 as whether to accelerate design and construction	March 24, 2009	FY 09-10 currently includes funding for design and construction of Phases 4 & 7. Council confirmed this direction at the June 9 <sup>th</sup> Study Session.
Staff recommends projects which facilitate traffic flows in FY 09-10 CIP budget	May 12, 2009	FY 09-10 currently includes the Jamboree/73 Bridge widening and Improvements to the Jamboree/MacArthur Intersection
Council approves new CIP budget with project schedules	June 23, 2009	Adopted as planned.
Staff reports to Council as to status of CIP traffic related projects	November 24, 2009	

Comments: As discussed at the Council's priority setting meeting, to accelerate the design and construction of Phases 4-8 would cost approximately \$4M. Expanding to do additional phases was discussed on June 9<sup>th</sup>; however, Council and staff believe it is more prudent to continue on the schedule that has been previously developed and is being implemented.

This priority includes staff proposing CIP projects which might result in additional turn lanes, street widening, turn-outs and other measures which could translate into improved traffic circulation for particular problematic locations.

Staff: Steve Badum; Dave Webb

## COMPLETE THE SCHEMATIC DESIGN PHASE AND THE EIR FOR THE NEWPORT BEACH CIVIC CENTER

Objective	Target	Action
Hire Civic Center architect (BCJ)	January 2009	Achieved
Hire Civic Center Project Management Firm (CW Driver)	January 2009	Achieved
Hire Civic Center EIR Consultant (LSA)	January 2009	Achieved
Complete Concept Plan Phase	April 15, 2009	Achieved
Public Comment Period for Draft EIR	September 1, 2009	Achieved
City Council Approval of Schematic Design and adopt Final EIR	November 24, 2009	On schedule

Comments: The Civic Center project is on schedule. From this point forward, we roll into Design Development and Construction Documents. There is a good likelihood of an “early start” for one aspect of the Project, that being the mass (rough) excavation of the site after January 12, 2010. Additionally, the Council will consider a design-build contract for the Parking Structure – that could happen such that construction there could occur in Spring 2010, weather permitting.

Completion of the Civic Center project is generally estimated at summer 2012, with an up to 18-month construction period.

Staff: Steve Badum, Jaime Murillo, Sharon Wood, Dave Kiff

**PROVIDE MORE PUBLIC PARKS AND RECREATION FACILITIES, WITH  
EMPHASIS ON ACTIVE FACILITIES WHERE APPROPRIATE; CONSTRUCT A NEW  
OASIS FACILITY FOR OUR SENIORS**

Objective	Target	Action
<b>Sunset Ridge Park</b> – obtain PB&R and Council conceptual approvals	June 24, 2008	PB&R approved May 20, 2008; Council approved June 10, 2008
Begin CEQA and final design processes	November 25, 2008	Awarded contract to EIR consultant and architect; in process
Determination of MND or EIR process	March 15, 2009	City has decided to process an EIR
City Council EIR Hearing for Approval	January 2010	On target
Coastal Commission permit approval expected (after EIR finalized)	July 2010	
Award bid after preparation of construction documents and bidding	September 2010	
Park open for public use	March 2012	
<b>Marina Park</b> – conceptual plans prepared and approved by PB&R, City Council	June 30, 2008	Council approved on Nov. 13, 2007; PB&R approved December 14, 2007
EIR public review period	Feb. 23-April 2, 2009	Achieved
Re-circulated EIR public review period	November 9 – December 23, 2009	Added Phases 1 & 2 and needed to address CCC wetland delineation of beach
City Council EIR Hearing for Approval	February 2010	On target
Completion of construction plans and specs, all water quality, Army Corps, Coastal Commission permits, etc.	November 2010	Ongoing
Advertise, bid and award multiple construction contracts for specialized contractors	January 2011	

Objective	Target	Action
Construction completed and open for public use	July 2013	
<b>Coastal Peak Park</b> - construction permits approved	February 10, 2008	Approved February 5, 2008
Construction period with The Irvine Company overseeing and paying for construction	May-March 2009	Construction complete
120 day construction company maintenance period	March-August 2009	On target
City assumes ownership of park and continues maintenance period	August 2009	On target
Open to public use	September 2009	Achieved
<b>OASIS Rebuild</b> - construction out to bid	Jan. 12 - Feb. 12, 2009	Bid opening Feb. 12, 2009
Award construction bid	March 10, 2009	Awarded March 10, 2009
Construction of project	March 2009-Oct. 2010	Currently under Construction
Construction completed and open for public use	October 2010	On target
<b>Banning Ranch Community Park</b> – development application submitted	Sept. 2008	Application submitted
Discuss Community Park plans including size, location and improvements with developer	Ongoing	Ongoing
<b>Synthetic Turf Study</b> – RFP for consultant services	December 2008	Proposals received Dec. 19, 2008
Award of consultant contract for \$23,000	February 2009	Study awarded to CMX Sports Engineers on April 2, 2009
Phase I- study of existing park sites for usage recommendations	April – June 2009	Completed
PB&R Commission – presentation of study findings	August 2009	On track for August meeting

Objective	Target	Action
Presentation to Council of study findings and determination of whether to proceed with plans and specs	August 2009	Achieved
<b>CYC-Renovation</b> – project out to construction bid	December 2008	Bids received January 6, 2009
Award construction bid	January 2009	Bid awarded January 27, 2009
Construction of project	February-June 2009	Currently under construction
Construction completed and open for public use	June 22, 2009	Achieved

Comments: Most of these projects are continuations of the related 2008 Council priority and most involve multi-year planning, processing and construction.

Staff: Laura Detweiler, Dave Webb



**CONTINUE WITH THE PROCESS TO DETERMINE EVENTUAL  
LAND USE FOR THE BANNING RANCH PROPERTY,  
PURSUING BOTH OPEN SPACE AND DEVELOPMENT OPTIONS OUTLINED IN  
THE GENERAL PLAN**

**Open Space**

<b>Objective</b>	<b>Target</b>	<b>Action</b>
City Council receipt of appraisal report	January 27, 2009	Provided January 27, 2009
Resource Opportunity Group report to Ad Hoc Committee on funding availability	July 2009	ROG spoke with Coastal Conservancy, OCTA, Wildlands Conservancy, Resources Legacy Fund, and Fund Foundation; researched applicability of stimulus funds
Meeting with interested parties to discuss funding availability	April 23, 2009	ROG met with representatives of Banning Ranch Conservancy
City Council receipt of funding availability report, and direction to Ad Hoc Committee on next steps	August 2009	Provided August 11, 2009; Council direction to continue exploring open space ideas as review of development proposal proceeds

Comments:

## Development

Objective	Target	Action
City receipt of complete application material	January 21, 2009	Application material sufficient to begin environmental review, and will be supplemented as review process proceeds
NOP public review period	March 9 - April 9, 2009	NOP released March 16; review period ended April 17, 2009
Draft EIR public review period	<del>November 2 – December 16, 2009</del> Mid-January to end of February 2010	Technical studies complete or nearly complete; EIR sections in preparation or review by City staff and consultants
Planning Commission recommendations on development application	April 22, 2010	
Final City Council action on development application	June 8, 2010	

Comments: The two processes – determining whether Banning Ranch can be purchased and preserved for open space and the development of Banning Ranch as a residential project – are being processed concurrently in order to determine at the end of both processes which alternative is most feasible.

Staff: Sharon Wood

**CONTINUE TO IMPLEMENT WATER QUALITY IMPROVEMENT PROJECTS,  
WHILE AT THE SAME TIME ASSESSING THE NEED TO ADOPT A TIERED WATER  
RATE STRUCTURE TO ASSIST IN WATER CONSERVATION EFFORTS**

Objective	Target	Action
Bring forth a draft Water Quality Management Plan (WQMP) to City Council which identifies fiscal impacts	March 2009	With the UNB funded and the LNB having an appropriation for the first time, Staff will re-evaluate the WQMP and bring it back to Coastal-Bay before Council.
Consider the establishment of a Council ad hoc Committee on Water Use. Purpose is to assist/review staff action relating to potable water purchases and use in the city (with OCWD and MWDOC).	March 2009	Not completed. However, City staff has been able to attend all relevant OCWD and MWDOC Water Producers meetings.
Consider certain aspects of the WQMP in the context of the 2009-2010 Fiscal Year Budget.	May 2009	Aspects related to LNB CEQA and testing work are funded within the City's FY 2009-10 budget.
Update the City's Water Master Plan (for potable water delivered to homes, city facilities, and businesses). Determine if existing rate structure will accomplish the Plan, including likely increases in water purchasing costs. If not, recommend rate changes.	May 2009	Update of Water Master Plan completed and presented to Council 9/8/09.  Proposed rate structure includes costs associates with Water Master Plan.
Continue City's water conservation efforts via Water Conservation Coordinator. Direct WCC and Utilities Director to follow and update City on other jurisdiction's actions relating to tiered rate structures.	Ongoing	
Implement any rate changes based on the Water Master Plan's needs. Evaluate the city's obligations relating to rate changes under Proposition 208.	January 1, 2010	Proposed rate structure approved by Council 9/8/09. Rate effective 1/8/10, pending Prop 218 protest results.

Objective	Target	Action
Study how the updated Water Master Plan's needs could be addressed with a tiered-rate structure (to encourage conservation).	September 2009	Water Master Plan costs are not tied to variable portion of the rates. Capital costs will be covered in proposed fixed fees.
Determine whether to implement a Tiered Rate structure, and suggest the timing thereof.	March 2010	

Comments: At first glance, these are two separate goals. But because excessive water use outside of homes and businesses causes urban runoff, and urban runoff has a major impact on water quality in our Bay and Ocean, the two issues are tied together.

Due to court ordered water supply restrictions, on April 14, 2009, the Metropolitan Water District Board voted to implement water allocations to all agencies that purchase water from them. Agencies are to reduce their water purchases by 15% for fiscal year 09/10. In addition, Orange County now enters its third year of drought (lack of rain). Because of this lack of local rainfall, our ground water supplies have been reduced for the second year in a row. All of the above are good reasons to implement a Tiered Rate system to encourage water conservation, however there are procedures that need to be followed per Proposition 218.

Proposition 218 required a full financial study to be conducted prior to any rate increase or rate restructure. Because of the recent rate hikes from our suppliers and the fact the rates have not been increased since 2005; staff felt it necessary to bring to Council an increase immediately to balance the budget. Council approved the Water Utility Financial Plan and proposed rates at the September 8, 2009 meeting. As part of the Prop 218 procedure, a 45-day notice period precedes a public hearing where if less than the majority of the customers and property owners' protest, the rates can be adopted. The 45 day notice period ended on November 11, 2009. The City Council has directed staff to bring the results of the protest proceedings to Council at the November 24, 2009 meeting. Should Council approve the rate increase with the absence of a majority of protests, Council can introduce the new water rate ordinance amendment at the same meeting. A second reading of the ordinance can be read as early as December 8, 2009 and the effective date can be January 8, 2010.

Staff intends to next analyze the development of a Tiered Water Rate. Some of the challenges in adopting Tiered Rates are: monthly meter reading and billing as opposed to bi-monthly; billing system capabilities; development of allocations based on what calculation?; variance procedures; customer service; and, public education. Feasibility and costs associated will need to be discussed with Council along the way.

The Water Master Plan is now complete and costs associated have been addressed in the current rate proposal. The funds required to maintain our infrastructure have been proposed to be included as a capital charge and part of the "fixed" fee. Including the capital costs in the variable

portion of the rate, or to include it in a Tiered Rate, will not be recommended due to the volatility of water use.

It should be noted that the current rate structure is considered a conservation rate as defined by the California Urban Water Conservation Council however; Tiered Rates seem to be very effective tools in encouraging conservation and staff will continue to pursue that goal.

The Municipal Code Chapter 14.16 "Water Conservation" was amended in entirety and approved by second reading after a public hearing at the November 10, 2009 Council meeting. Effective date of the new ordinance will be December 10, 2009. This ordinance contains permanent restrictions and four levels of water reductions.

Staff: Dave Kiff, George Murdoch, Shane Burckle, Dave Webb, Bob Stein

**DEVELOP AND IMPLEMENT A STRATEGY, INCLUDING A FUNDING COMPONENT, FOR THE DREDGING OF THE LOWER BAY**

Objective	Target	Action
Continue to advocate in Washington DC and with the US Army Corps of Engineers (LA District) for the Corps' consideration of a Lower Newport Bay (LNB) dredging project within the Economic Stimulus Package (American Recovery and Reinvestment Plan of 2009 or the Federal FY 11 budget.	December 2009 to October 2010	President Obama's budget included \$1.78 million for LNB Dredging, an important milestone for this project. We will now seek to have Congress add up to \$12 million more in FY 11.
Continue City's current work on toxicity testing of the LNB and its analysis of the potential for contaminant disposal (Lower Bay and Rhine) at the Port of Long Beach via an MND, as well as a contingency plan for a Confined Aquatic Disposal (CAD) site in Newport Harbor via an EIR.	December 31, 2009	Testing nearly complete. Final draft testing report will be reviewed by regulatory agencies for approval in December. Anchor hired for CEQA work.
Develop project alternatives (including funding) for the LNB, including a range of options as follows: <ul style="list-style-type: none"> <li>• No federal funding.</li> <li>• 100% federal funding of the Federal Navigational Channel.</li> <li>• The "one and done" plan (encourage the Corps to fund a complete dredging project then remove the obligation from the Corps' operations and maintenance list).</li> <li>• Other alternatives in between the above.</li> </ul>	June 2010	Staff to develop with the consultation and advice of: <ul style="list-style-type: none"> <li>• Harbor Commission</li> <li>• Coastal-Bay Committee</li> <li>• Bay Issues Committee</li> <li>• Corps staff</li> <li>• Consultants (Larry Paul, Tom Rossmiller, Jim Crum)</li> </ul>
Consider any possible alternatives and funding recommendations within the City's FY 2010-2011 budget. Look for funding opportunities for the Rhine Channel which is a City responsibility.	May 2010	City's FY 10-11 budget will include funding proposal. Currently exploring grant opportunities with the Water Board.

Objective	Target	Action
Directly assist Corps with any studies, environmental reports, or permitting required with the LNB project.	Ongoing	City's current testing and CAD analysis has the City taking the lead on these issues, pending any Congressional authorization for the US Army Corps to work on them.

Comments: A Lower Newport Bay Dredging Project is a long-hoped-for goal of the community, given the expanse of shoaling in the Harbor. A full project may cost in the range of \$25-29 million. The City has attempted to jump-start a future project by advancing much of the testing and analysis that the Corps will have to do before an LNB project is shovel-ready.

Dredging the LNB is not a "new" project for the Corps. It is an ongoing, current Operations and Maintenance ("O&M") Corps obligation (yet one that the Administration has consistently zeroed out in funding, until this year). As such, the prospects look better than usual for getting the project done in 2010 and 2011, if this project competes successfully against other Corps O&M needs.

In addition, a rare opportunity to dispose contaminated material at the Port of Long Beach is becoming a reality, and an option the City is aggressively pursuing. This location might also be good location for the Rhine Channel material, therefore solving all of our harbor contamination problems.

Staff: Dave Kiff, Chris Miller, Larry Paul (consultant), Jim Crum (DC advocate)